

PREVAILED

Roll Call No. \_\_\_\_\_

FAILED

Ayes \_\_\_\_\_

WITHDRAWN

Noes \_\_\_\_\_

RULED OUT OF ORDER

## HOUSE MOTION \_\_\_\_\_

MR. SPEAKER:

I move that House Bill 1347 be amended to read as follows:

- 1 Delete the title and insert the following:
- 2 A BILL FOR AN ACT to amend the Indiana Code concerning
- 3 education and to make an appropriation.
- 4 Page 1, between the enacting clause and line 1, begin a new
- 5 paragraph and insert:
- 6 "SECTION 1. IC 20-23-3-7, AS ADDED BY P.L.1-2005,
- 7 SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 8 JULY 1, 2006]: Sec. 7. (a) If a school lunch fund is established under
- 9 section 5 of this chapter, ~~or a textbook rental fund is established under~~
- 10 ~~section 6 of this chapter~~, the receipts and expenditures for ~~each the~~
- 11 program shall be made to and from the ~~proper~~ fund without
- 12 appropriation or the application of other laws relating to the budgets of
- 13 local governmental units.
- 14 (b) If ~~either the program or both programs~~ under ~~sections 5 and 6~~
- 15 ~~section 5~~ of this chapter ~~are is~~ operated through the extracurricular
- 16 account, the township trustee shall approve the amount of the bond of
- 17 the treasurer of the extracurricular account in an amount the township
- 18 trustee considers necessary to protect the account for all funds coming
- 19 into the hands of the treasurer.
- 20 SECTION 2. IC 20-26-5-4, AS ADDED BY P.L.1-2005, SECTION
- 21 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1,
- 22 2006]: Sec. 4. In carrying out the school purposes of a school
- 23 corporation, the governing body acting on the school corporation's
- 24 behalf has the following specific powers:
- 25 (1) In the name of the school corporation, to sue and be sued and

1 to enter into contracts in matters permitted by applicable law.

2 (2) To take charge of, manage, and conduct the educational affairs  
3 of the school corporation and to establish, locate, and provide the  
4 necessary schools, school libraries, other libraries where permitted  
5 by law, other buildings, facilities, property, and equipment.

6 (3) To appropriate from the school corporation's general fund an  
7 amount, not to exceed the greater of three thousand dollars  
8 (\$3,000) per budget year or one dollar (\$1) per pupil, not to  
9 exceed twelve thousand five hundred dollars (\$12,500), based on  
10 the school corporation's previous year's average daily membership  
11 (as defined in IC 21-3-1.6-1.1) to promote the best interests of the  
12 school corporation through:

13 (A) the purchase of meals, decorations, memorabilia, or  
14 awards;

15 (B) provision for expenses incurred in interviewing job  
16 applicants; or

17 (C) developing relations with other governmental units.

18 (4) To:

19 (A) Acquire, construct, erect, maintain, hold, and contract for  
20 construction, erection, or maintenance of real estate, real estate  
21 improvements, or an interest in real estate or real estate  
22 improvements, as the governing body considers necessary for  
23 school purposes, including buildings, parts of buildings,  
24 additions to buildings, rooms, gymnasiums, auditoriums,  
25 playgrounds, playing and athletic fields, facilities for physical  
26 training, buildings for administrative, office, warehouse, repair  
27 activities, or housing school owned buses, landscaping, walks,  
28 drives, parking areas, roadways, easements and facilities for  
29 power, sewer, water, roadway, access, storm and surface  
30 water, drinking water, gas, electricity, other utilities and  
31 similar purposes, by purchase, either outright for cash (or  
32 under conditional sales or purchase money contracts providing  
33 for a retention of a security interest by the seller until payment  
34 is made or by notes where the contract, security retention, or  
35 note is permitted by applicable law), by exchange, by gift, by  
36 devise, by eminent domain, by lease with or without option to  
37 purchase, or by lease under IC 21-5-10, IC 21-5-11, or  
38 IC 21-5-12.

39 (B) Repair, remodel, remove, or demolish, or to contract for  
40 the repair, remodeling, removal, or demolition of the real  
41 estate, real estate improvements, or interest in the real estate or  
42 real estate improvements, as the governing body considers  
43 necessary for school purposes.

44 (C) Provide for energy conservation measures through utility  
45 energy efficiency programs or under a guaranteed energy  
46 savings contract as described in IC 36-1-12.5.

47 (5) To acquire personal property or an interest in personal

property as the governing body considers necessary for school purposes, including buses, motor vehicles, equipment, apparatus, appliances, books, furniture, and supplies, either by cash purchase or under conditional sales or purchase money contracts providing for a security interest by the seller until payment is made or by notes where the contract, security, retention, or note is permitted by applicable law, by gift, by devise, by loan, or by lease with or without option to purchase and to repair, remodel, remove, relocate, and demolish the personal property. All purchases and contracts delineated under the powers given under subdivision (4) and this subdivision are subject solely to applicable law relating to purchases and contracting by municipal corporations in general and to the supervisory control of state agencies as provided in section 6 of this chapter.

(6) To sell or exchange real or personal property or interest in real or personal property that, in the opinion of the governing body, is not necessary for school purposes, in accordance with IC 20-26-7, to demolish or otherwise dispose of the property if, in the opinion of the governing body, the property is not necessary for school purposes and is worthless, and to pay the expenses for the demolition or disposition.

(7) To lease any school property for a rental that the governing body considers reasonable or to permit the free use of school property for:

(A) civic or public purposes; or

(B) the operation of a school age child care program for children five (5) years of age through fourteen (14) years of age that operates before or after the school day, or both, and during periods when school is not in session;

if the property is not needed for school purposes. Under this subdivision, the governing body may enter into a long term lease with a nonprofit corporation, community service organization, or other governmental entity, if the corporation, organization, or other governmental entity will use the property to be leased for civic or public purposes or for a school age child care program. However, if payment for the property subject to a long term lease is made from money in the school corporation's debt service fund, all proceeds from the long term lease must be deposited in the school corporation's debt service fund so long as payment for the property has not been made. The governing body may, at the governing body's option, use the procedure specified in IC 36-1-11-10 in leasing property under this subdivision.

(8) To:

(A) Employ, contract for, and discharge superintendents, supervisors, principals, teachers, librarians, athletic coaches (whether or not they are otherwise employed by the school corporation and whether or not they are licensed under

1 IC 20-28-5), business managers, superintendents of buildings  
 2 and grounds, janitors, engineers, architects, physicians,  
 3 dentists, nurses, accountants, teacher aides performing  
 4 noninstructional duties, educational and other professional  
 5 consultants, data processing and computer service for school  
 6 purposes, including the making of schedules, the keeping and  
 7 analyzing of grades and other student data, the keeping and  
 8 preparing of warrants, payroll, and similar data where  
 9 approved by the state board of accounts as provided below,  
 10 and other personnel or services as the governing body  
 11 considers necessary for school purposes.

12 (B) Fix and pay the salaries and compensation of persons and  
 13 services described in this subdivision.

14 (C) Classify persons or services described in this subdivision  
 15 and to adopt schedules of salaries or compensation.

16 (D) Determine the number of the persons or the amount of the  
 17 services employed or contracted for as provided in this  
 18 subdivision.

19 (E) Determine the nature and extent of the duties of the  
 20 persons.

21 The compensation, terms of employment, and discharge of  
 22 teachers are, however, subject to and governed by the laws  
 23 relating to employment, contracting, compensation, and discharge  
 24 of teachers. The compensation, terms of employment, and  
 25 discharge of bus drivers is subject to and governed by laws  
 26 relating to employment, contracting, compensation, and discharge  
 27 of bus drivers. The forms and procedures relating to the use of  
 28 computer and data processing equipment in handling the financial  
 29 affairs of the school corporation must be submitted to the state  
 30 board of accounts for approval to the end that the services are  
 31 used by the school corporation when the governing body  
 32 determines that it is in the best interest of the school corporation  
 33 while at the same time providing reasonable accountability for the  
 34 funds expended.

35 (9) Notwithstanding the appropriation limitation in subdivision  
 36 (3), when the governing body by resolution considers a trip by an  
 37 employee of the school corporation or by a member of the  
 38 governing body to be in the interest of the school corporation,  
 39 including attending meetings, conferences, or examining  
 40 equipment, buildings, and installation in other areas, to permit the  
 41 employee to be absent in connection with the trip without any loss  
 42 in pay and to refund to the employee or to the member the  
 43 employee's or member's reasonable hotel and board bills and  
 44 necessary transportation expenses. To pay teaching personnel for  
 45 time spent in sponsoring and working with school related trips or  
 46 activities.

47 (10) To transport children to and from school, when in the opinion

of the governing body the transportation is necessary, including considerations for the safety of the children and without regard to the distance the children live from the school, the transportation to be otherwise in accordance with applicable law.

(11) To provide a lunch program for a part or all of the students attending the schools of the school corporation, including the establishment of kitchens, kitchen facilities, kitchen equipment, lunch rooms, the hiring of the necessary personnel to operate the lunch program, and the purchase of material and supplies for the lunch program, charging students for the operational costs of the lunch program, fixing the price per meal or per food item. To operate the lunch program as an extracurricular activity, subject to the supervision of the governing body. To participate in a surplus commodity or lunch aid program.

(12) To purchase textbooks ~~to~~ **and** furnish **the** textbooks without cost ~~or to rent textbooks to students, to participate in a textbook aid program, all~~ in accordance with applicable law. **A school corporation may not conduct a textbook rental program for students enrolled in the school corporation.**

(13) To accept students transferred from other school corporations and to transfer students to other school corporations in accordance with applicable law.

(14) To levy taxes, to make budgets, to appropriate funds, and to disburse the money of the school corporation in accordance with applicable law. To borrow money against current tax collections and otherwise to borrow money, in accordance with IC 21-2-21.

(15) To purchase insurance or to establish and maintain a program of self-insurance relating to the liability of the school corporation or the school corporation's employees in connection with motor vehicles or property and for additional coverage to the extent permitted and in accordance with IC 34-13-3-20. To purchase additional insurance or to establish and maintain a program of self-insurance protecting the school corporation and members of the governing body, employees, contractors, or agents of the school corporation from liability, risk, accident, or loss related to school property, school contract, school or school related activity, including the purchase of insurance or the establishment and maintenance of a self-insurance program protecting persons described in this subdivision against false imprisonment, false arrest, libel, or slander for acts committed in the course of the persons' employment, protecting the school corporation for fire and extended coverage and other casualty risks to the extent of replacement cost, loss of use, and other insurable risks relating to property owned, leased, or held by the school corporation. To:

(A) participate in a state employee health plan under IC 5-10-8-6.6;

(B) purchase insurance; or

(C) establish and maintain a program of self-insurance; to benefit school corporation employees, including accident, sickness, health, or dental coverage, provided that a plan of self-insurance must include an aggregate stop-loss provision.

(16) To make all applications, to enter into all contracts, and to sign all documents necessary for the receipt of aid, money, or property from the state government, the federal government, or from any other source.

(17) To defend any member of the governing body or any employee of the school corporation in any suit arising out of the performance of the member's or employee's duties for or employment with, the school corporation, if the governing body by resolution determined that the action was taken in good faith. To save any member or employee harmless from any liability, cost, or damage in connection with the performance, including the payment of legal fees, except where the liability, cost, or damage is predicated on or arises out of the bad faith of the member or employee, or is a claim or judgment based on the member's or employee's malfeasance in office or employment.

(18) To prepare, make, enforce, amend, or repeal rules, regulations, and procedures for the government and management of the schools, property, facilities, and activities of the school corporation, the school corporation's agents, employees, and pupils and for the operation of the governing body, which rules, regulations, and procedures may be designated by an appropriate title such as "policy handbook", "bylaws", or "rules and regulations".

(19) To ratify and approve any action taken by a member of the governing body, an officer of the governing body, or an employee of the school corporation after the action is taken, if the action could have been approved in advance, and in connection with the action to pay the expense or compensation permitted under IC 20-26-1 through IC 20-26-5, IC 20-26-7, IC 21-2-19, and IC 21-2-21 or any other law.

(20) To exercise any other power and make any expenditure in carrying out the governing body's general powers and purposes provided in this chapter or in carrying out the powers delineated in this section which is reasonable from a business or educational standpoint in carrying out school purposes of the school corporation, including the acquisition of property or the employment or contracting for services, even though the power or expenditure is not specifically set out in this chapter. The specific powers set out in this section do not limit the general grant of powers provided in this chapter except where a limitation is set out in IC 20-26-1 through IC 20-26-5, IC 20-26-7, IC 21-2-19, and IC 21-2-21 by specific language or by reference to other law.

SECTION 3. IC 20-26-5-17, AS ADDED BY P.L.1-2005,

SECTION 10, IS AMENDED TO READ AS FOLLOWS  
 [EFFECTIVE JULY 1, 2006]: Sec. 17. (a) If a school lunch fund is  
 established under section 15 of this chapter, ~~and a textbook rental fund~~  
~~is established under section 16 of this chapter,~~ the receipts and  
 expenditures from ~~a the~~ fund for the program to which the fund relates  
 shall be made to and from the fund without appropriation or the  
 application of other statutes and rules relating to the budgets of  
 municipal corporations.

(b) If ~~either~~ the lunch program ~~or textbook rental program~~ is handled  
 through the extracurricular account, the governing body of the school  
 corporation shall approve the amount of the bond of the treasurer of the  
 extracurricular account in an amount considered by it sufficient to  
 protect the account for all funds coming into the hands of the treasurer  
 of the account.

SECTION 4. IC 20-26-12-1, AS ADDED BY P.L.1-2005,  
 SECTION 10, IS AMENDED TO READ AS FOLLOWS  
 [EFFECTIVE JULY 1, 2006]: Sec. 1. (a) Except as provided in  
~~subsections subsection (b) and (c)~~ and notwithstanding any other law,  
 each governing body shall purchase from a contracting publisher, at a  
 price equal to or less than the net contract price, the textbooks adopted  
 by the state board and selected by the proper local officials, and shall  
~~rent~~ **provide** these textbooks to each student enrolled in a public school  
 that is:

- (1) in compliance with the minimum certification standards of the  
 board; and
- (2) located within the attendance unit served by the governing  
 body.

~~(b) This section does not prohibit the purchase of textbooks at the  
 option of a student or the providing of free textbooks by the governing  
 body under sections 6 through 21 of this chapter.~~

~~(c)~~ **(b)** This section does not prohibit a governing body from  
 suspending the operation of this section under a contract entered into  
 under IC 20-26-15.

SECTION 5. IC 20-26-12-2, AS ADDED BY P.L.1-2005,  
 SECTION 10, IS AMENDED TO READ AS FOLLOWS  
 [EFFECTIVE JULY 1, 2006]: Sec. 2. (a) A governing body may  
 purchase from a contracting publisher, at a price equal to or less than  
 the net contract price, any textbook adopted by the state board and  
 selected by the proper local officials. The governing body may rent  
 these textbooks to students enrolled in any public **school of another**  
**school corporation or any** nonpublic school that is:

- (1) in compliance with the minimum certification standards of the  
 state board; and
- (2) located within the attendance unit served by the governing  
 body.

The annual rental rate may not exceed twenty-five percent (25%) of the  
 retail price of the textbooks.

(b) Notwithstanding subsection (a), the governing body may not assess a rental fee of more than fifteen percent (15%) of the retail price of a textbook that has been:

- (1) adopted for usage by students under IC 20-20-5;
- (2) extended for usage by students under IC 20-20-5-2; and
- (3) paid for through rental fees previously collected.

**(c) A school corporation may not rent textbooks under this section to any students attending a school operated by the school corporation.**

~~(c)~~ **(d)** This section does not limit other laws.

SECTION 6. IC 20-26-12-22, AS ADDED BY P.L.1-2005, SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 22. If a school corporation purchases textbooks on a time basis:

- (1) the schedule for payments shall coincide with ~~student payments~~ **the distributions** to the school corporation ~~for textbook rental~~; **under IC 21-3-1.7-9.6 for textbooks**; and
- (2) the schedule must not require the school corporation to assume a greater burden than payment of twenty-five percent (25%) within thirty (30) days after the beginning of the school year immediately following delivery by the contracting publisher with the school corporation's promissory note evidencing the unpaid balance.

SECTION 7. IC 20-26-12-23, AS ADDED BY P.L.1-2005, SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 23. (a) A school corporation may:

- (1) borrow money to buy textbooks; and
- (2) issue notes, maturing serially in not more than six (6) years and payable from its ~~general~~ **textbook** fund, to secure the loan.

However, when an adoption is made by the state board for less than six (6) years, the period for which the notes may be issued is limited to the period for which that adoption is effective.

(b) Notwithstanding subsection (a), a school township may not borrow money to purchase textbooks unless a petition requesting such an action and bearing the signatures of twenty-five percent (25%) of the resident taxpayers of the school township has been presented to and approved by the township trustee and township board.

SECTION 8. IC 20-26-12-26, AS ADDED BY P.L.1-2005, SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 26. If a family **that purchased textbooks from a school corporation** moves during the school term from one (1) school corporation to another within the state, the corporation from which they move shall:

- (1) evaluate the affected children's textbooks; and
- (2) offer to purchase the textbooks at a reasonable price. ~~for resale to any family that moves into that corporation during a school term.~~



SECTION 9. IC 20-26-12.4 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]:

**Chapter 12.4. Textbooks for Public School Students**

**Sec. 1.** As used in this chapter, "school corporation" includes a charter school.

**Sec. 2.** As used in this chapter, "student" means a student, including a transfer student, who is enrolled in a school corporation.

**Sec. 3.** As used in this chapter, "textbook" includes the following:

(1) Instructional materials that are used by students for more than one (1) year, including materials used in special education and gifted and talented classes.

(2) Workbooks and consumable instructional materials that are used by students for not more than one (1) school year, including workbooks, consumable textbooks, and other consumable instructional materials that are used in special education and gifted and talented classes.

(3) Developmentally appropriate materials used:

(A) for instruction in kindergarten through grade 3, laboratories, and children's literature programs; and

(B) instead of items described in subdivisions (1) through (2).

**Sec. 4.** As used in this chapter, "textbook fund" refers to the fund established under IC 21-2-22.

**Sec. 5. (a)** The governing body of each school corporation shall do the following:

(1) Purchase and maintain a sufficient number of textbooks to meet the needs of each student.

(2) Appropriate from the textbook fund established under IC 21-2-22 the money necessary to purchase textbooks.

(3) Loan free of charge to each student all textbooks prescribed for the student's grade or classes.

(4) Prescribe guidelines for the following:

(A) The availability of textbooks to students.

(B) The care and custody of textbooks by students.

(C) The return of textbooks by students.

(5) Provide facilities for the safekeeping of textbooks.

(6) Fumigate or destroy textbooks at the times and under regulations prescribed by local and state health authorities or determined by the governing body.

**(b)** A school corporation may not conduct a textbook rental program for a school year that begins after June 30, 2006.

**Sec. 6.** The parent of a student who is loaned a textbook under this chapter is financially responsible for the following according

to the guidelines adopted by the school corporation under this chapter:

- (1) Wear, except for reasonable wear, on a textbook.
- (2) Loss, mutilation, or defacement of a textbook.
- (3) Failure to return a textbook to the school corporation upon request.
- (4) Other matters concerning the use and care of textbooks.

Sec. 7. (a) If a student transfers to a school corporation other than the one in which the student has legal settlement (as determined under IC 20-26-11), the governing body of the school corporation to which the student transfers shall provide textbooks to the student.

(b) The annual settlement between school corporations for tuition of transferred students must include amounts for furnishing textbooks to transferred students at a rate determined by the state board.

Sec. 8. A governing body may sell textbooks to students who wish to purchase textbooks at the price stipulated in the contracts under which the books are purchased by the school corporation. Money from sales to students must be paid into the textbook fund.

SECTION 10. IC 20-26-12.6 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]:

**Chapter 12.6. Reimbursement for Textbooks for Students in Accredited Nonpublic Schools**

Sec. 1. This chapter applies to students who are enrolled in accredited nonpublic schools.

Sec. 2. The department shall reimburse a parent or an emancipated minor for expenses for textbooks that are incurred for the parent's child or the emancipated minor.

Sec. 3. There is no financial eligibility requirement to receive reimbursement under this chapter.

Sec. 4. The amount of reimbursement under this chapter is the amount established in IC 21-2-23.

Sec. 5. An accredited nonpublic school may assist a parent or an emancipated minor in obtaining reimbursement under this chapter.

Sec. 6. The following apply to an application for reimbursement under this chapter:

- (1) The department shall provide an application form for reimbursement under this chapter.
- (2) The department shall establish a date for the filing of applications.
- (3) The applicant shall certify the following in the application to the department:
  - (A) The name, age, and grade level of the student who is

enrolled in an accredited nonpublic school and for whom the applicant seeks reimbursement.

(B) The expense incurred in providing textbooks to the student.

(C) That each textbook included in the reimbursement request (except those textbooks used for special education or gifted and talented classes) has been:

(i) adopted by the state board under IC 20-20-5; or

(ii) waived by the state board under IC 20-26-12-28.

(D) That the amount of reimbursement requested for each textbook does not exceed twenty percent (20%) of the costs incurred for the textbook, as provided in the textbook adoption list in each year of the adoption cycle.

(E) Any other information required by the department, including the following:

(i) Copies of invoices or purchase orders used to acquire textbooks.

(ii) Information about the student.

(iii) Information about the nonpublic school.

**Sec. 7. The department shall use money in the supplemental textbook fund established by IC 21-2-23-4 to make reimbursements under this chapter.**

**Sec. 8. The department may adopt rules under IC 4-22-2 to implement this chapter.**

SECTION 11. IC 20-33-5-3, AS ADDED BY P.L.1-2005, SECTION 17, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 3. (a) If a parent of a child or an emancipated minor who is enrolled in a public school, in kindergarten or grades 1 through 12, meets the financial eligibility standard under section 2 of this chapter, the parent or the emancipated minor may not be required to pay the fees for school books, supplies, or other any required class fees. The fees shall be paid by the school corporation that the child attends.

(b) The school corporation may apply for a reimbursement under section 7 of this chapter from the department of the costs incurred under subsection (a).

(c) To the extent the reimbursement received by the school corporation is less than the textbook rental fee assessed for textbooks that have been adopted under IC 20-20-5-1 through IC 20-20-5-4 or waived under IC 20-26-12-28, the school corporation may request that the parent or emancipated minor pay the balance of this amount.

SECTION 12. IC 20-33-5-9, AS ADDED BY P.L.1-2005, SECTION 17, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 9. (a) If a parent of a child or an emancipated minor who is enrolled in an accredited nonpublic school meets the financial eligibility standard under section 2 of this chapter, the parent or the emancipated minor may receive a reimbursement from

the department as provided in this chapter for the costs or some of the costs incurred by the parent or emancipated minor in fees ~~that are reimbursable under section 7 of this chapter.~~ **for items described in subsection (g).** The extent to which the fees are reimbursable under this section may not exceed the percentage rates of reimbursement under ~~section 7 of this chapter.~~ **subsection (g).** In addition, if a child enrolls in an accredited nonpublic school after the initial request for reimbursement is filed under subsection (d), the parent of the child or the emancipated minor who meets the financial eligibility standard **under section 2 of this chapter** may receive a reimbursement from the department for the costs or some of the costs incurred in fees that are reimbursable under ~~section 7 of this chapter~~ **subsection (g)** by applying to the accredited nonpublic school for assistance. In this case, this section applies. However, section 10 of this chapter applies to the making of the supplemental request for reimbursement by the principal or other designee of the accredited nonpublic school.

(b) The department shall provide each accredited nonpublic school with sufficient application forms for assistance, prescribed by the state board of accounts.

(c) Each accredited nonpublic school shall provide the parents or emancipated minors who wish to apply for assistance with:

- (1) the appropriate application forms; and
- (2) any assistance needed in completing the application form.

(d) The parent or emancipated minor shall submit the application to the accredited nonpublic school. The accredited nonpublic school shall make a determination of financial eligibility subject to appeal by the parent or emancipated minor.

(e) If a determination is made that the applicant is eligible for assistance, subsection (a) applies.

(f) To be guaranteed some level of reimbursement from the department, the principal or other designee shall submit the reimbursement request before November 1 of a school year.

(g) In its request, the principal or other designee shall certify to the department:

- (1) the number of students who are enrolled in the accredited nonpublic school and who are eligible for assistance under this chapter;
- (2) the costs incurred in providing:
  - (A) textbooks (including textbooks used in special education and high ability classes); and
  - (B) workbooks and consumable textbooks (including workbooks, consumable textbooks, and other consumable teaching materials that are used in special education and high ability classes) that are used by students for not more than one (1) school year;
- (3) that each textbook described in subdivision (2)(A) and included in the reimbursement request (except those textbooks

used in special education classes and high ability classes) has been adopted by the state board under IC 20-20-5-1 through 20-20-5-4 or has been waived by the state board of education under IC 20-26-12-28;

(4) that the amount of reimbursement requested for each textbook under subdivision (3) does not exceed twenty percent (20%) of the costs incurred for the textbook, as provided in the textbook adoption list in each year of the adoption cycle;

(5) that the amount of reimbursement requested for each workbook or consumable textbook (or other consumable teaching material used in special education and high ability classes) under subdivision (2)(B), if applicable, does not exceed one hundred percent (100%) of the costs incurred for the workbook or consumable textbook (or other consumable teaching material used in special education and high ability classes);

(6) that the amount of reimbursement requested for each textbook used in special education and high ability classes is amortized for the number of years in which the textbook is used; and

(7) any other information required by the department, including copies of purchase orders used to acquire consumable teaching materials used in special education and high ability classes.

(h) If the amount of reimbursement requested before November 1 of a particular school year exceeds the amount of money appropriated to the department for this purpose, the department shall proportionately reduce the amount of reimbursement to each accredited nonpublic school. An accredited nonpublic school may submit a supplemental reimbursement request under section 10 of this chapter. The parent or emancipated minor is entitled to receive a supplemental reimbursement only if funds are available. The department shall proportionately reduce the amount of supplemental reimbursement to the accredited nonpublic schools if the amount requested exceeds the amount of money available to the department for this purpose.

(i) The accredited nonpublic school shall distribute the money received under this chapter to the appropriate eligible parents or emancipated minors.

~~(j) Section 7(h) of this chapter applies to parents or emancipated minors as described in this section.~~

**(j) Parents receiving other governmental assistance or aid that considers educational needs in computing the entire amount of assistance granted may not be denied assistance if the applicant's total family income does not exceed the standards established by this chapter.**

(k) The accredited nonpublic school and the department shall maintain complete and accurate information concerning the number of applicants determined to be eligible for assistance under this section.

(l) The state board shall adopt rules under IC 4-22-2 to implement this section.

SECTION 13. IC 20-33-5-10, AS ADDED BY P.L.1-2005, SECTION 17, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 10. (a) The principal or other designee of an accredited nonpublic school may make a supplemental request for reimbursement from the department after April 1 but before May 1 of a school year for some or all of the additional costs incurred in fees that are reimbursable under ~~section 7~~ **section 9** of this chapter by the parent of a child or emancipated minor who enrolls in the accredited nonpublic school after the initial request for reimbursement is filed under section 9(f) of this chapter.

(b) In its supplemental request, the principal or other designee must certify to the department the following:

(1) The number of additional students who enrolled in the accredited nonpublic school as described in subsection (a).

(2) The costs incurred in providing the materials described in section 9(g)(2) of this chapter pertaining to the number of additional students.

(3) The same information as described in section 9(g)(3) through 9(g)(7) of this chapter as pertaining to the number of additional students.

(c) This section applies only if there are funds available. These supplemental distributions shall be made by the department in accordance with section 9(h) of this chapter.

SECTION 14. IC 20-33-5-14, AS ADDED BY P.L.1-2005, SECTION 17, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 14. (a) The school textbook reimbursement contingency fund is established to reimburse ~~school corporations~~, eligible parents of children who attend accredited nonpublic schools and emancipated minors who attend accredited nonpublic schools as provided in section 9 of this chapter for assistance provided under this chapter. The fund consists of money appropriated to the fund by the general assembly. The state superintendent shall administer the fund.

(b) The treasurer of state shall invest the money in the school textbook reimbursement contingency fund not currently needed to meet the obligations of the fund in the same manner as other public funds may be invested.

SECTION 15. IC 21-2-1-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 3. (a) The trustee, with the advice and consent of the township board, shall use ~~such the~~ "seminary lands school account" for the following educational purposes:

(1) ~~Each year the trustee shall pay to the parent or legal guardian of any child, whose residence is within said township, initial cost for the rental of textbooks used in any elementary or secondary school which has been duly accredited by the state of Indiana. Such reimbursement for the rental of school books shall be for the~~

initial yearly rental charge only, and books subsequently lost or destroyed shall not be paid for from this account:

~~(2)~~ (1) Students who are residents of ~~said the~~ township for the last two (2) years of their secondary education and who still reside within ~~said the~~ township shall receive financial assistance ~~in an~~ amount not to exceed an amount determined by the trustee and the township board during an annual review of higher education fees and tuition costs of post-high school education at any accredited college, university, junior college, ~~or~~ vocational school, or trade school. Amounts to be paid to each eligible student shall be set annually following this review. The amount ~~so~~ paid each year shall be equitable for every eligible student without regard to race, religion, creed, sex, disability, or national origin and must be based on the number of students and the amount of funds available each year.

~~(3)~~ (2) A person who has been a permanent resident of the township continuously for at least two (2) years and who needs educational assistance for job training or retraining may apply to the trustee of the township for financial assistance. The trustee and the township board shall review each application and make assistance available according to the need of each applicant and the availability of funds.

~~(4)~~ (3) If all the available funds are not used in any one (1) year, ~~said the~~ unused funds shall be retained in ~~said the~~ account by the trustee for use in succeeding years.

(b) The bond required by law for the trustee shall be increased by an amount equal to the sum of the seminary township school fund and the average annual rental income from ~~said~~ seminary lands.

(c) All funds and accounts provided in this chapter and the accumulation thereof shall be periodically audited and examined in the same manner provided by law for public money.

(d) All expenditures and payments made under this chapter shall be made only after necessary expenditures for the protection and maintenance of the seminary land in good and safe condition are first made from the annual rental income.

SECTION 16. IC 21-2-4-2, AS AMENDED BY P.L.246-2005, SECTION 183, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 2. The governing body of each school corporation in Indiana shall establish a debt service fund for the payment of:

- (1) all debt and other obligations arising out of funds borrowed or advanced for school buildings when purchased from the proceeds of a bond issue for capital construction;
- (2) a lease to provide capital construction;
- (3) interest on emergency and temporary loans;
- (4) all debt and other obligations arising out of funds borrowed or advanced for the purchase or lease of school buses when

1 purchased or leased from the proceeds of a bond issue, or from  
 2 money obtained from a loan made under IC 20-27-4-5, for that  
 3 purpose;

4 (5) all debt and other obligations arising out of funds borrowed to  
 5 pay judgments against the school corporation;

6 (6) all debt and other obligations arising out of funds borrowed to  
 7 purchase equipment; or

8 (7) all unreimbursed costs of textbooks for the school  
 9 corporation's students who were eligible for free or reduced  
 10 lunches in the previous school year.

11 The term "debt service" shall include but not be limited to lease rental  
 12 obligations, school bonds and coupons and civil bond obligations  
 13 assumed by school corporations reorganized pursuant to IC 20-23-4,  
 14 and any interest cost on emergency and temporary loans but shall not  
 15 include the repayment of the principal of the emergency and temporary  
 16 loans obtained for benefit of any other fund. All receipts and  
 17 disbursements authorized by law for school funds and tax levies for the  
 18 lease rental fund, bond fund, sinking fund, civil bond obligation fund,  
 19 and payment of interest on emergency and temporary loans shall be  
 20 received in and disbursed from the debt service fund. The governing  
 21 body may transfer the amount levied to cover unreimbursed costs of  
 22 textbooks under subdivision (7) to the **school corporation's** textbook  
 23 ~~rental fund. or extracurricular account.~~

24 SECTION 17. IC 21-2-11-2 IS AMENDED TO READ AS  
 25 FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 2. The governing body  
 26 of each school corporation in the state of Indiana shall establish a  
 27 general fund for the operation and maintenance of local schools and  
 28 **shall levy a tax therefor for the fund.** All receipts and disbursements  
 29 ~~heretofore~~ authorized by law for school funds and tax levies for the  
 30 tuition fund, special school fund, special fund, vocational fund,  
 31 recreation fund, compulsory education fund, ~~school library fund, high~~  
 32 ~~school library fund,~~ public employee's retirement fund, operating fund,  
 33 transportation tax, and county wide school tax shall ~~on and after~~  
 34 ~~January 1, 1968,~~ be received in and disbursed from the general fund. A  
 35 tax levy and rate for the general fund shall be established by the  
 36 governing body of each school corporation for the ~~1968 calendar year~~  
 37 ~~and all succeeding each calendar years.~~ Any balances of all the  
 38 ~~aforesaid funds on January 1, 1968 shall be transferred to the general~~  
 39 ~~fund.~~ **year.**

40 SECTION 18. IC 21-2-11-5 IS AMENDED TO READ AS  
 41 FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 5. Any self-supporting  
 42 programs maintained by any school corporation, including but not  
 43 limited to school lunch, ~~and rental or sale of textbooks,~~ may be  
 44 established as separate funds, separate and apart from the general fund,  
 45 if no local tax rate is established ~~therefor for the programs.~~

46 SECTION 19. IC 21-2-22 IS ADDED TO THE INDIANA CODE  
 47 AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE



JULY 1, 2006]:

**Chapter 22. Textbook Fund**

**Sec. 1.** As used in this chapter, "fund" refers to the textbook fund established by section 3 of this chapter.

**Sec. 2.** As used in this chapter, "textbook" has the meaning set forth in IC 20-26-12.4-3.

**Sec. 3.** A school corporation shall establish a textbook fund.

**Sec. 4.** Money in the fund may be used only for the following purposes:

(1) Paying interest and principal on loans obtained by the school corporation to purchase textbooks.

(2) Implementing IC 20-26-12, including the purchase, storage, distribution, or repair of textbooks.

**Sec. 5.** A school corporation shall deposit in the fund the following:

(1) Distributions under IC 21-3-1.7-9.6.

(2) Receipts from sales of textbooks.

(3) Other revenues designated for the textbook fund.

**Sec. 6.** Money in the fund at the end of a school year or fiscal year does not revert to the school general fund.

SECTION 20. IC 21-2-23 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]:

**Chapter 23. Supplemental Textbook Fund**

**Sec. 1.** As used in this chapter, "department" refers to the department of education.

**Sec. 2.** As used in this chapter, "fund" refers to the supplemental textbook fund established by section 4 of this chapter.

**Sec. 3.** As used in this chapter, "textbook" has the meaning set forth in IC 20-26-12.4-3.

**Sec. 4.** The supplemental textbook fund is established to provide money for reimbursements for textbooks under IC 20-26-12.6 to parents of accredited nonpublic school students and emancipated minors who are students in accredited nonpublic schools.

**Sec. 5.** The department shall administer the fund. Expenses of administering the fund shall be paid from money in the fund.

**Sec. 6.** The fund consists of appropriations by the general assembly.

**Sec. 7.** The treasurer of state shall invest the money in the fund not currently needed to meet obligations of the fund in the same manner as other public funds may be invested. Interest earned from investment of the fund shall be credited to the fund.

**Sec. 8.** Money in the fund at the end of a state fiscal year does not revert to the state general fund.

**Sec. 9. (a)** Subject to balances available in the fund, the treasurer of state shall pay the amount determined under

1 **subsection (b). The amount is payable in the manner provided in**  
 2 **IC 20-26-12.6.**

3 **(b) The amount of annual reimbursement for textbooks may not**  
 4 **exceed eighty five dollars (\$85) for a student who is enrolled full**  
 5 **time in an accredited nonpublic school.**

6 SECTION 21. IC 21-3-1.7-9, AS AMENDED BY P.L.246-2005,  
 7 SECTION 200, IS AMENDED TO READ AS FOLLOWS  
 8 [EFFECTIVE JULY 1, 2006]: Sec. 9. (a) Subject to the amount  
 9 appropriated by the general assembly for tuition support, the amount  
 10 that a school corporation is entitled to receive in tuition support for a  
 11 year is the amount determined in section 8.2 of this chapter.

12 (b) If the total amount to be distributed as tuition support under this  
 13 chapter, in 2005 for enrollment adjustment grants under section 9.5 of  
 14 this chapter (before its repeal), **for textbook grants under section 9.6**  
 15 **of this chapter**, for academic honors diploma awards under section 9.8  
 16 of this chapter, in 2005 for supplemental remediation grants under  
 17 section 9.9 of this chapter (before its repeal), for primetime distributions  
 18 under IC 21-1-30, for special education grants under IC 21-3-2.1, and  
 19 for vocational education grants under IC 21-3-12 for a particular year,  
 20 exceeds:

21 (1) three billion seven hundred fifty-nine million three hundred  
 22 thousand dollars (\$3,759,300,000) in 2005;

23 (2) three billion seven hundred ~~fifty-four~~ **ninety-six** million ~~seven~~  
 24 **three** hundred thousand dollars (~~\$3,754,700,000~~)  
 25 (**\$3,796,300,000**) in 2006; and

26 (3) three billion ~~seven~~ **eight** hundred ~~forty-seven~~ **thirty-one**  
 27 million ~~two~~ **three** hundred **five** thousand dollars (~~\$3,747,200,000~~)  
 28 (**\$3,831,305,000**) in 2007;

29 the amount to be distributed for tuition support under this chapter to  
 30 each school corporation during each of the last six (6) months of the  
 31 year shall be proportionately reduced so that the total reductions equal  
 32 the amount of the excess. The amount of the reduction for a particular  
 33 school corporation is equal to the total amount of the excess multiplied  
 34 by a fraction. The numerator of the fraction is the amount of the  
 35 distribution for tuition support that the school corporation would have  
 36 received if a reduction were not made under this section. The  
 37 denominator of the fraction is the total amount that would be distributed  
 38 for tuition support to all school corporations if a reduction were not  
 39 made under this section.

40 SECTION 22. IC 21-3-1.7-9.6 IS ADDED TO THE INDIANA  
 41 CODE AS A **NEW** SECTION TO READ AS FOLLOWS  
 42 [EFFECTIVE JULY 1, 2006]: Sec. 9.6. (a) **In addition to the**  
 43 **distributions under sections 8.2 and 9.8 of this chapter, in each**  
 44 **calendar year a school corporation is eligible for an amount for a**  
 45 **textbook grant that is equal to the school corporation's current**  
 46 **ADM multiplied by eighty-five dollars (\$85).**

47 **(b) The distribution received under this section:**

**(1) shall be deposited in a school corporation's textbook fund and used only for the purposes specified in IC 21-2-22-4; and (2) is not included in the calculation of previous year revenue under IC 21-3-1.7-3.1(a).**

SECTION 23. IC 21-3-1.7-9.8, AS AMENDED BY P.L.246-2005, SECTION 201, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 9.8. (a) In addition to the distributions under section 8.2 **and 9.6** of this chapter, a school corporation is eligible for an honors diploma award in the amount determined under STEP TWO of the following formula:

STEP ONE: Determine the number of the school corporation's eligible pupils who successfully completed an academic honors diploma program in the school year ending in the previous calendar year.

STEP TWO: Multiply the STEP ONE amount by nine hundred dollars (\$900).

(b) An amount received by a school corporation as an honors diploma award may be used only for:

(1) any:

(A) staff training;

(B) program development;

(C) equipment and supply expenditures; or

(D) other expenses;

directly related to the school corporation's academic honors diploma program; and

(2) the school corporation's program for high ability students.

(c) A governing body that does not comply with this section for a school year is not eligible to receive an award under this section for the following school year.

SECTION 24. THE FOLLOWING ARE REPEALED [EFFECTIVE JULY 1, 2006]: IC 20-23-3-6; IC 20-26-5-16; IC 20-26-12-6; IC 20-26-12-7; IC 20-26-12-8; IC 20-26-12-9; IC 20-26-12-10; IC 20-26-12-11; IC 20-26-12-12; IC 20-26-12-13; IC 20-26-12-14; IC 20-26-12-15; IC 20-26-12-16; IC 20-26-12-17; IC 20-26-12-18; IC 20-26-12-19; IC 20-26-12-20; IC 20-26-12-21; IC 20-33-5-5; IC 20-33-5-7; IC 20-33-5-8.

SECTION 25. [EFFECTIVE JULY 1, 2006] **(a) A school corporation may not conduct a textbook rental program for a school year beginning after June 30, 2006.**

**(b) On July 1, 2006, a school corporation shall transfer any unencumbered money in any fund or account used for textbook rental fees to the textbook fund established by IC 21-2-22, as added by this act. The money transferred under this SECTION may be used for any purpose for which other money in the textbook fund may be used.**

**(c) Notwithstanding IC 21-3-1.7-9.6, as added by this act, a school corporation is entitled in 2006 to only fifty percent (50%) of**

1 the amount of the textbook grant specified in IC 21-3-1.7-9.6, as  
 2 added by this act, to be distributed in six (6) monthly installments.

3 (d) An amount sufficient to make the distributions of the  
 4 textbook grants under IC 21-3-1.7-9.6, as added by this act, is  
 5 appropriated from the state general fund to the department of  
 6 education beginning July 1, 2006, and ending June 30, 2007.

7 (e) This SECTION expires January 1, 2008.

8 SECTION 26. [EFFECTIVE JULY 1, 2006] (a) The department  
 9 of local government finance shall reduce the:

10 (1) maximum permissible ad valorem property tax levy  
 11 imposed by IC 6-1.1-18.5-3; and

12 (2) township assistance levy;

13 of each township to reflect the effect of this act on the obligation of  
 14 township trustees to pay school fees under IC 20-33-5-12.

15 (b) The department of local government finance shall reduce  
 16 the:

17 (1) maximum permissible ad valorem property tax levy  
 18 imposed by IC 6-1.1-19-1.5; and

19 (2) general fund property tax levy;

20 of each school corporation that operated an elementary school  
 21 library or a high school library on June 30, 2006, to provide free  
 22 textbooks to resident students before July 1, 2006, to reflect the  
 23 transfer of textbook funding to the textbook fund established by  
 24 IC 21-2-22, as added by this act.

25 (c) Any loan:

26 (1) obtained to purchase textbooks (as defined in  
 27 IC 20-26-12.4-3, as added by this act); and

28 (2) payable from a school general fund before July 1, 2006;  
 29 shall be paid from the textbook fund after June 30, 2006.

30 (d) This SECTION expires January 1, 2008.

31 SECTION 27. [EFFECTIVE JULY 1, 2006] (a) There is  
 32 appropriated from the state general fund to the supplemental  
 33 textbook fund established by IC 21-2-23-4, as added by this act,  
 34 beginning July 1, 2006, and ending June 30, 2007, an amount equal  
 35 to eighty-five dollars (\$85) for each student enrolled in an  
 36 accredited nonpublic school for whom reimbursement for  
 37 textbooks is provided under IC 20-26-12.6, as added by this act.

38 (b) This SECTION expires June 30, 2007."

39 Renumber all SECTIONS consecutively.

(Reference is to HB 1347 as printed January 26, 2006.)

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Representative Pelath